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CITY OF BEVERLY HILLS

January 26, 1993

92-266

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

Dear Ms. Searcy,

Please find enclosed an original and five copies of the following:

1) reply comments of the City of Beverly Hills and Communications Support Group, Inc. regarding Cable Television Customer Service Standards (MM Docket No. 92-263);

2) initial comments of the City of Beverly Hills and Communications Support Group, Inc. regarding Cable Television Rate Regulation (MM Docket 92-266).

Sincerely,

John Risk
Cable Television Consultant

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of	)	
	)	
Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992	)	MM Docket 92-266
	)	
Rate Regulation	)	

The City of Beverly Hills, California, and Communications Support Group, Inc. (CSG), a private consulting firm located in Santa Ana, California which serves the City of Beverly Hills as Cable Television Consultant, wish to enter into the record these comments regarding the Federal Communications Commission's Notice of Proposed Rulemaking that was released on December 24, 1992.

Our comments will primarily focus on those areas having the greatest effect on franchising authority operations. We will address the following areas: 1) certification process for franchising authorities; 2)the complaint process by interested parties regarding franchise authority; 3) operator certification; 4) billing itemization of costs of franchise agreements and 5) need to study implications on benchmarks of unreasonable reporting of corporate overhead and management fees.

Part 1
Certification of Franchising Authority

Beverly Hills supports municipalities and other franchising authorities in their efforts to control the exhorbitant rate increases that have run rampant in the industry since its inception. In general, we approve of the Commission's proposed certification process for rate regulation by franchising authorities. We appreciate the Commission's decision to maintain simplicity in certifying franchise authorities and support the Commission's suggestion for an expedient 30 day approval period.

<u>Effective Competition</u>
As suggested by the Commission in paragraph 17, a local franchising authority is in the best position to determine whether effective competition exists in its own franchise area. We believe that it will be reasonable and efficient for the franchising authority to provide evidence of the lack of effective competition with the application for certification. However, we note that information on multichannel competitors such as SMATV and MMDS operators may be unavailable to local franchising authorities. Consequently, we suggest that the

Commission require all SMATV and MMDS operators to register with their local franchising authority for a more accurate determination of effective competition.

Joint Filing for Certification

Coordination between franchising authorities having franchises with the same cable operator should not be required as part of the certification process. This is not feasible or practical. Such a coordination may subject subscribers in one franchise area to pay an additional cost because another area is being rebuilt or has higher costs due to access facilities, etc.,. Additionally, while this provision may allow benefits for small cities or jurisdictions who do not have staff to administer rate regulation on their own, it would cause a bureaucratic nightmare in large cities where a cable operator may have multiple franchises with a County government or other cities. For example, if coordination of franchising authorities was required, the City of Beverly Hills, would be required to consult with the cities of West Hollywood, Santa Monica, El Segundo, the County of Los Angeles and others. However, given the benefits to smaller jursidictions, the FCC should allow this as an optional type of filing when all franchising authorities involved approve.

Revocation of Certification

We believe that a franchising authority's certification should only be revoked where local and state laws are inconsistent with FCC regulations concerning basic service rates. Given the Commission's much publicized, under-staffed condition, we believe that rate regulation should occur, in every possible case, at the local level. In cases where the franchising authority has incorrectly applied the rate regulations as per section 623(a)(3)(B) & (C), authorities should be given the opportunity to correct the identified problem before their certification is revoked. The Commission suggests that other remedies could include suspension of certification or imposing reporting requirements. We suggest that the Commission should impose a reporting requirement giving franchising authorities 90 days to evidence corrective action before proceeding with revocation proceedings.

Part 2
Complaint Process

Procedures

The Cable Act requires that the Commission establish "fair and expeditious procedures" for receiving, considering and resolving complaints from "any subscriber, franchise authority, or other State or local government entity" alleging that rates for cable programming services are unreasonable pursuant to FCC rules.

At paragraph 97, the FCC notes that its goal is to develop procedures that are not only fair to all parties, but are also simple and expeditious. The FCC's first alternative is to require that complainants to concisely state all facts showing how an operator has violated rate regulations or has implemented rates which are determined to be "unreasonable."

It occurs to us that a typical subscriber may not have the where-with-all to participate in such a stringent and proscribed process. We concur with the Commission's problematic concerns on this issue and urge the Commission to focus on a complaint procedure modeled after its second alternative, which provides for a simpler standard. This simpler model would designate a minimum standard which would have to be met in order to avoid dismissal. Under the second approach, complainants would need to provide much less specific information and factual data.

Furthermore, to facilitate this process we recommend that the local franchise authority play an integral part in the complaint filing process. Subscribers are likely to face possible difficulties in drafting complaints and obtaining factual data. We suggest a process whereby subscribers should be required to provide information to the franchise authority and, if possible, obtain concurrence by the franchise authority as a precondition for the filing of a valid complaint. This should assist in minimizing the number of individual complaints filed with the FCC. This process will further the franchise authority's role as a responsible party in the process.

Finally, under this approach the franchise authority will be the point of contact with the Commission. Complaints submitted to the Commission can be addressed as a lot and handled within the specified time of the Commission's 30 day filing deadline as outlined below.

<u>Complaint Filing Period</u>
Cable Act provides that, with one exception, the FCC adopt procedures for filing complaints within a "reasonable period" after a change in rates is proposed by an operator. The FCC at paragraph 105 tentatively finds that a limit of 30 days from the time that a subscriber received a rate change notification would be adequate for a subscriber to formulate a complaint.

We recommend that the Commission modify this finding so that the complaint period <u>begins thirty days after implementation by the company of the rate adjustment</u>. We do not believe thirty days from date of notice allows adequate time for subscribers or franchising authorities to take action. From our experiences with handling subscriber cable complaints on a daily basis, we find that most subscribers do not register complaints until after they receive their bills (usually within the first month following the actual inception of the new rates). As noted previously, the franchise authority should have an additional 30 days after the subscriber filing date to tabulate complaint data and to conduct its own research and comments, prior to forwarding the complaint to the FCC.

Part 3
Operator Certification

The FCC at paragraph 110 seeks comment on whether operators should be required to certify that they have implemented FCC decisions. We strongly suggest that the Commission adopt this requirement. Far too often we have found that cable operators stall in their adoption of new franchise requirements. We believe that the requirements for implementation certification within a designated time period are a necessity.

Part 4
Costs of Franchising Requirements

Billing Itemization

The House report indicates that only direct and verifiable costs within the specified categories may be so itemized. These categories are: (1) the amount of that bill attributable to the franchise fee, together with the franchising authority identity, (2) the amount attributable to the support or use of public, educational, or governmental channels which is required under the franchise agreement, and (3) the amount of the total bill attributable to any other governmental assessments on transactions between the operator and the subscriber. The House report also indicates that Congress explicitly intended that such costs be itemized as part of the total bill, but not separately billed. The FCC at paragraph 174 proposes to reflect this intent.

We strongly recommend that the Commission adopt rules which limit only direct and verifiable costs to be itemized. In addition, we strongly recommend that itemized charges not be added to cable bills. Congress did not intend to provide cable companies with new sources of revenue by creating new line items to pass on to cable subscribers. As ruled upon by the New York State Commission On Cable Television (Docket 92-217 - see attached), we request that the FCC prohibit the practice of adding these itemized costs as additional charges. Our request is based on a common, yet deceptive practice in the cable industry whereby cable operators misrepresent their actual rates by passing the franchise fees directly to subscribers. We have also found situations where cable operators have used the threat of additive itemization practices to stifle developments of PEG access in a community.

Part 5
Benchmark Does Not Protect Against Abuses In Reporting Of Corporate Overhead

Cable television is currently the hottest property on Wall Street. Cable television has, and continues to demonstrate, that it is financially healthy. During the past decade, when retailers have faced two of the worst recessions ever, cable companies have shown healthy revenues, cash flows, and operating margins.

A ten year study performed by Paul Kagan Associates Inc. (a cable industry research firm) as reported in CABLE WORLD magazine shows that revenues have increased steadily (see chart below).

A 10 YEAR LOOK AT CABLE REVENUES

Year	Basic Rev. (mil.)	Exp-Basic Rev. (mil.)	Pay Rev. (mil.)	PPV Rev. (mil.)	Home Shop. Rev. (mil.)	Instl. Rev. (mil.)	Ad. Rev. (mil.)	Misc. Rev. (mil.)	Total Rev./All Sources (mil.)	Total Rev. Sub/Mo.	% Chg.
'81	2,061	21	1,317	n/a	n/a	67	17	173	3,656	14.17	+16.7
'82	2,530	75	2,020	n/a	n/a	90	32	237	4,984	16.35	+15.4
'83	3,048	170	2,747	n/a	n/a	107	50	303	6,424	18.15	+11.0
'84	3,545	255	3,370	18	0.5	134	86	365	7,774	19.69	+8.5
'85	4,145	298	3,727	25	4.0	177	139	423	8,939	20.98	+6.5
'86	4,891	403	3,895	37	23.0	253	192	472	10,166	22.18	+5.7
'87	6,014	377	4,106	88	57.0	241	264	613	11,761	23.82	+7.4
'88	7,343	267	4,491	210	70.5	257	313	667	13,619	25.71	+7.9
'89	8,670	264	4,890	303	84.7	282	496	768	15,757	27.64	+7.5
'90	10,169	495	5,105	253	72.0	289	628	845	17,855	29.46	+6.6
'91	11,696	668	5,287	390	81.0	296	721	929	20,069	31.67	+7.5

Source: Cable World , January 20, 1992, page 61

Other financial consultants have been quoted in the trade press (Vernois, Suhler & Associates and Wilkofsky Gruen Associates) suggesting that the cable industry will continue to post healthy returns in 1993. Projections for growth during the next year are:

Parameter	**Expected Growth**
Basic cable penetration	3%
Homes passed by cable	2%
Total Cable Spending	7.5%
Total Cable Advertising	11.4%

Revenues from home shopping, pay-per-view, and new services such as personal communications systems, will all lead to greater revenues and cash flows for the industry.

But, why have these companies posted losses during many of these years? According to CABLE WORLD magazine November 30, 1992, referencing a Kidder Peabody & Co report, only recently have some of the largest MSO's posted positive cash flows after interest and capital expenditures.

The financial models similar to what is being considered by the FCC to analyze cable television profitability have been in use by the cable industry and the financial industry for a number of years. Financial models are designed to provide predictions of how a cable system might operate under different scenarios. Using a series of equations and assumptions, most of which are based on actual historical information, a cable financial model can be used to calculate revenues, capital expenditures, operating costs, net income, cash flow and rate of return.

We believe the benchmarks proposed beginning at paragraph 34 do not provide adequate protections from abusive pricing practices. We urge the FCC to adopt a combination of cost of service, rate of return, and benchmarks to strengthen the ability of franchising authorities to determine the reasonableness of rate. We ask the FCC to closely study six key measures of financial vitality when developing its models: internal rate of return, operating margin, return on investment, system value, debt to equity, and time-interest-earned ratio.

1. Rate of Return: Rate of return weighs certain historical information and projects these over time using discounts for the "time-value of money." "Time-value of money" means that a dollar one year from today is worth less that a dollar today. This is not due not only to inflation but to the fact that the dollar today is capable of earning compounded interest during the period of the next year.

   Cable operators typically apply an internal rate of return measure as a key indicator of the return on investment. The net in-flow or out-flow each year is discounted at a compounded rate that equates the net discounted cash flow over the life of the investment to zero. Equating future to present value is simply the reverse of compounding interest.

   Rate of return formula requires a clear definition for cash flow. We recommend cash flow be defined as revenues less operating expenses less capital expenditures. Projecting rate of return requires consideration of other variables including:

   a. subscriber count
   b. system revenue totals
   c. operating expense totals including corporate overhead
   d. weighted rate of basic
   e. weighted rate of pay services
   f. weighted other sources of income (shopping, PPV, etc.)
   g. cost of debt (interest retirement)
   h. annual rate adjustments to rate of inflation
   i. a cable company's income tax rate

   We have seen internal rate of returns while performing financial audits for our clients between 18% and 25%.

2. Operating Margin: Operating margin shows the relationship between a company's total revenues and the costs of goods sold. In this analysis, operating expenses are subtracted from revenues to determine operating income. This amount is then divided by the revenue figure to determine operating margin. The industry average for operating margin, according to many industry analysts, is 40& to 50%.

3. Return on Investment: Only recently has the cable industry shown positive returns on investment. The cable industry is savvy at showing after tax losses. These losses are often a result of rather significant non-operating costs attributable to costs not reflected in operating income. For example, management fees, corporate general and administration, depreciation and amortization, and interest on advances from affiliates result in staggering reductions to earned income.

   We urge the FCC to study this problem.

4. System Value: The value of the cable systems now and at the end of each projection period should be assessed. Residual value for most systems at the start of this decade was estimated at ten times cash flow. Since system values in the past have outpaced actual costs to build systems by a ratio of two to three, corporations receive sizable windfalls when systems sell. Are these windfalls ever passed back to cable subcribers in other systems?

5. Debt to Equity: The debt to equity ratio measures the percentage of total funds that have been provided to creditors compared to the current liabilities and all bonds. Heavily leveraged companies post high debt to equity ratios, and cable subscribers pick up the tab on higher rates needed to retire growing debt.

6. Time-Interest-Earned Ratio: The time-interest-earned ratio is determined by dividing earnings before interest and taxes (i.e., operating income) by interest charges. The time-interest-earned ratio measures the extent to which earnings can decline or interest payments can increase before the company is unable to meet annual costs. Some analysts have indicated that 1.5% is an approximate industry average.

To conclude this section, the benchmark proposals do not protect against abuses in industry accounting practices. Unreasonable and execessive reporting of management fees and corporate overhead will only be perpetuated if a cost of service analysis does not consider these items. A cost of service analysis, a rate of return analysis, and any benchmark formula must carefully scrutinize the amounts that local systems are being charged by their parent companies. Unnecessary excesses in this area skew the financial health of cable systems, making them look poorer than they actually are.

These charges coupled with increases in costs for programming sold to some operators of systems also owning programming networks (TCI, Time Warner, Comcast, Continental, etc.) make systems appear poorer than they actually are. Any rate of return formula adopted by the FCC must take these types of abuses into account.

DEFINITION OF MULTI-CHANNEL PROGRAMMERS

Finally, we suggest that the Commission not consider a broadcaster using multiplexing as a competitor to cable television system operators as suggested at paragraph 9. We recommend that the FCC only consider a multi-channel competitor, if the entity provides at least thirty channels of programming, similar in type and kind, to that found on cable television systems.

Respectfully Submitted On This 26th day of January, 1993,

On Behalf of the City of Beverly Hills
John Risk, Emily Brubaker, Marc Jaffe
Communication Support Group, Inc.
P.O. Box 10968
Santa Ana, CA 92711

ATTACHMENT C

NEW YORK STATE COMMISSION ON CABLE TELEVISION

In the Matter of 92-217

The Itemization of Franchise Fees on Subscriber Bills) DOCKET NO. 90389

STATEMENT OF POLICY

(Released: April 20, 1992)

During the past months, various cable companies in the state have commenced the practice of including all or a portion of a franchise fee as a separate line item on a subscriber's bill. The practice is manifest in one of two ways. In some instances, the franchise fee is one of many items, e.g., basic service, premium service, additional outlets, etc. listed in a single column, the amount for which is included with and added to all other amounts to arrive at a total amount due. In other instances, the bill recites the various services subscribed to and the amounts thereof, sets forth a subtotal of all such amounts and then includes an amount denominated "franchise fee" which, when added to the subtotal, creates a total amount due at the bottom of the bill. In the latter case, the franchise fee is treated in the same manner as a sales tax. In either case, the fee is stated as if it were a direct charge upon the subscriber.

Some companies have instituted this practice coincidental with a franchise renewal or current increase in the amount of the fee or both. For other companies, the practice is unrelated to the franchise term or any change in franchise fee requirements.

Because the practice raises fundamental issues concerning the effect of federal law and the relation of federal statute to state statute, Commission regulations and franchise fee provisions in cable television franchise agreements, the Commission has determined that it is appropriate at this time to issue a general statement of policy on franchise fee itemization and "pass-throughs."

Itemization of Fee

Section 622(f) of the Cable Communications Policy Act of 1984 ("Cable Act") (47 USC Section 542(f)) provides that "[a] cable operator may designate that portion of a subscriber's bill attributable to the franchise fee as a separate item on the bill." Consistent with this section, a cable operator may include on a subscriber's bill a separate statement indicating the portion of the bill--as a percentage or fixed amount--that will be payable as a franchise fee by the cable company to the franchising authority. This section is not authority for including a franchise fee as a separate billable line item on a subscriber's bill.

In this regard, we note that franchise agreements in New York State have traditionally required franchise fees based on a percentage of revenues--either all or some portion thereof--received by the company from subscribers and, in some cases, from other sources. In other words, the fee is calculated as a percentage of all revenues received without deduction or allocation for such portion of the revenues as may ultimately be paid by the cable company to the municipal government in fulfillment of the franchise fee obligation. This practice is fully consistent with Section 817 of the Executive Law which requires the Commission to impose an assessment upon cable companies calculated on "gross annual receipts."[1] The only exception from "gross annual receipts" recognized in the statute would include sales taxes which are imposed directly on subscribers. (See, e.g., Tax Law, Section 1131(2)) Neither the municipal franchise fee nor the amount of the Commission's assessment is excluded from "gross annual receipts."

The practice of billing the fee as a separate line item in addition to rates transforms the very nature of the fee from a component of doing business calculated on all revenues to a separate add-on charge imposed directly on subscribers. This practice also has the effect of transforming the very method by which the fee is calculated and, therefore, purports to modify the underlying statutory and franchise obligations. A simple example will illustrate the effect of itemization. Assume a cable company has been charging $20 per month for a service under a franchise which requires a franchise fee of 3%. The franchise fee attributable to such bill would be sixty cents. If the company determines to separate and itemize the fee as an add-on in the manner of a sales tax, the bill is likely to read as follows:

Basic service rate	---	$20.00
Franchise fee	---	$0.60
Total		$20.60

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1 Section 817(2) provides that the Commission "shall. . .bill and collect. . .[from cable companies]. . .the total direct and indirect costs necessary to operate and administer the commission for the. . .state fiscal year." Each company is required to pay a pro rata share of the commission's costs based upon its gross annual receipts when compared to the gross annual receipts of all companies.

"Gross annual receipts" is defined in Section 812(5) as follows: ". . .any and all compensation received directly or indirectly by a cable television company from its operations within the state, including but not limited to sums received from subscribers or users in payment for programs received and/or transmitted, advertising and carrier service revenue and any other moneys that constitute income in accordance with the system of accounts approved by the commission.

Gross annual receipts shall not include any taxes on services furnished by a cable television company imposed directly on any subscriber or user by any municipality, state, or other governmental unit and collected by the company for such governmental unit."

Apart from the fact that this is a rate increase subject to notice requirements (and government approval in the absence of effective competition), it is readily apparent that the company, by its own unilateral act, has purported to change the manner of calculating the fee by reducing the base from the total amount billed to an amount which is artificially described as the "rate." In fact, $0.60 is but 2.91% of $20.60 -- the total amount billed. If the fee is calculated as before -- 3% of the full amount billed -- the fee attributable to the bill would be sixty-two cents. We find nothing in the Cable Act to suggest that Congress intended to transform the nature of a franchise fee or to amend existing franchises by permitting cable television companies to reduce franchise fee obligations by manipulating the subscriber's bill in such manner. On the contrary, the effect of Section 622(a) was to increase from 3% to 5% of gross receipts the amount of franchise fees which could be required in a franchise.

It could be argued that a cable company is free to bill in this manner without also intending to modify its franchise fee obligation. If so, such a bill would be inaccurate and, therefore, misleading. Nothing in the Cable Act authorizes cable companies to engage in inaccurate and misleading billing practices.

We also note the likelihood that some cable companies would argue that the franchise fee is a tax and, as such, is a separately billable item. We need not finally determine whether the franchise fee is a tax for the simple reason that even if the franchise fee is in the nature of the tax, under New York State law it would be in the nature of a special franchise or real property tax; but clearly not in the nature of a sales tax.[2] The special franchise tax is imposed on the owner of the special franchise property, i.e., the cable company, and not on the subscriber directly. As such, it is simply a component of doing business similar to other non-sales taxes and business costs.

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[2] Section 626 of the Real Property Tax Law ("RPTL") provides as follows:

"1. (a) When a tax levied on a special franchise is due in any assessing unit, if the special franchise owner has paid such assessing unit for its exclusive use during the past year under any agreement or statute requiring the same, a sum based upon a percentage of gross earnings or other income, a license fee or other sum of money on account of such special franchise possessed by such special franchise owner, which payment was in the nature of a tax, all amounts so paid for the exclusive use of such assessing unit, except money paid or expended for paving or repairing the pavement of a street, highway or public place, and except in a city having a population of one hundred seventy-five thousand or more according to the latest federal census, car license fees or tolls paid for the privilege of crossing a bridge owned by the city, shall be deducted from the tax based on the assessment made by the state board for purposes of the assessing unit, but not otherwise, and the remainder shall be the tax on such special franchise payable for such propose."

In sum, it is our determination that franchise fees cannot be stated as a separate line item on subscriber bills as direct charges on subscribers. This policy does not prevent cable companies from informing subscribers on bills, or otherwise, of the fact that franchise fees are paid to government, including the specific amount of the fee attributable to an individual bill. It is consistent with the Cable Act because companies may include a statement on the bill which identifies the franchise fee without imposing a separate and direct charge for the fee itself.

Pass Through Provisions

We also take this opportunity to express our policy with respect to the so-called "pass through" provisions in the Cable Act. Section 622(c) of the Cable Act (47 USC 542(c)) provides that "[a] cable operator may pass through to subscribers the amount of any increase in a franchise fee unless the franchising authority demonstrates that the rate structure specified in the franchise reflects all costs of franchise fees and so notifies the cable operator in writing." Section 622(c) provides that "[a]ny cable operator shall pass through to subscribers the amount of any decrease in a franchise fee."

The issue here is whether these provisions have meaning in a deregulated cable community.

We note, initially, that for many years prior to the enactment of the Cable Act the rates for premium cable television services had been deregulated by the Federal Communications Commission ("FCC"). See Brookhaven v. Kelly, (428 F.Supp. 1216 N.D. New York (1977); 573 F.2d 765, 2d Cir. (1978)) We also note that in many, if not all, cable television franchise agreements in New York State a franchise fee is required to be paid based on revenues derived by the cable television franchisee from premium services or some portion thereof. In fact, at the time the Cable Act became law, cable companies could unilaterally price premium services to account for all costs including franchise fees and increases therein.

As a practical matter, the Cable Act did not alter the regulatory status of premium services. Section 623 of the statute provides that "[a]ny franchising authority may regulate the rates for the provision of cable service. . .provided over a cable system to cable subscribers, but only to the extent provided under this section." Section 623(b)(1) required the Federal Communications Commission to "prescribe and make effective regulations which authorize a franchising authority to regulate rates for the provision of basic cable service in circumstances in which a cable system is not subject to effective competition." Under Section 623, only basic cable service can be subject to rate regulation.[3] Cable companies remain free

[3] Although basic cable service is defined in such a way as it is theoretically possible that single channel premium services could be marketed as part of basic service, we are not aware of any such circumstances and it is unlikely that a cable company which is not subject to effective competition would choose to submit rates for premium service to regulation by such

to price "premium" services without the need for governmental review and approval--a right which transcends the more limited language in Section 622(c) which merely permits a rate increase in the event of an increase in franchise fees.

We note, as well, that historically, "pass-through" is used in utility ratemaking to permit a cost or change in cost to be included in the regulated rate borne by ratepayers.

It fully appears, therefore, that the pass-through provisions in Section 622(c) of the Cable Act are intended to enable cable television companies to increase regulated rates by an amount equal to any current increase in the franchise fee attributable to the regulated rate.[4] Similarly, the obligation imposed by Section 622(e) to decrease rates by any reduction in the franchise fee is only sensible in an environment where rates are regulated. Otherwise, there is no real benefit to subscribers. In sum, the pass-through provisions are redundant in rate deregulated communities. Granting to a cable company the unilateral ability to charge to subscribers whatever rate it wants--as the Cable Act does--transcends and makes meaningless cost pass-throughs which are reflective of a rate regulated environment.

SO ORDERED.

Commissioners Participating: William B. Finneran, Chairman; Theodore E. Mulford, John A. Passidomo, Barbara T. Rochman, Commissioners.

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[4] It is important to note here (1) that Congress sanctioned basic rate regulation for a minimum of two years following the effective date of the Cable Act for all cable systems irrespective of the existence of effective competition, and (2) that FCC regulations rather than ... systems to be rate deregulated.